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23 JUN 1976

MEMORANDUM FOR: Deputy Director of Security, PSI

ATTENTION : Chief of Operations, PSI

STATINTL FROM : [REDACTED]
STATINTL Chief, Clearance Division

SUBJECT : [REDACTED]

1. In response to your request of 10 June, the
Clearance Division has taken a critical look at the [REDACTED]
STATINTL [REDACTED] cases and offers the following as our attempt to
resolve the issues.

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2. Historically, the Agency has had an [REDACTED]
regulation since its inception. The earliest reference to
it in Clearance Division files occurs in 1947 when a senior
security official decrying the absence of official guidance
ruled that security concern would be the criteria for the
adjudication of such cases. It wasn't until the advent of
the Dulles administration in 1954 that the Agency finally
agreed to an official criteria. The DCI ruled that "Agency
policy would be not to approve [REDACTED] except
where the applicant was uniquely and highly qualified or
STATINTL where an applicant had rendered long and faithful service,
and it was clearly established [REDACTED]"
[REDACTED]

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3. This policy continued throughout the 1950's and
well into the early 1960's. It apparently caused consider-
able heartburn for the DD/O as he complained loudly about
it in June 1959. He charged that the turn-down syndrome
was unjust to the employee and was working to the detriment
of the Agency especially in the area of employee morale.
He also questioned the currency of the [REDACTED]
factor. He, however, made little headway with either the
DCI or the DDCI as he was advised shortly thereafter that
the interpretation and enforcement of existing policy would
remain unchanged.

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4. The Dulles policy remained in force until 1963

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series. Although files show that this office was the initiator of the action, the tenor of the memoranda from that period indicates that the change was directed from the senior levels of the Agency as a result of the change of command.

5. From this point on, the Office of Security, for whatever reason, had a smaller and smaller voice in the decision making process. As the voice became dimmer, the approval rate climbed to a point in 1967 when it rose above the 60% mark. It has hovered at that rate or above ever since.

6. Although there have been a number of changes to the regulation over the years, most of an administrative nature, none have altered the consistent thread that has remained throughout - [REDACTED] raises questions of security and suitability for continued employment. It wasn't until 1973 that the Agency finally published for the first time the criteria upon which the Director based his decisions. Oddly enough the criteria more or less formalized that which had been applied in varying degrees over the years.

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7. Clearance Division feels strongly that [REDACTED] is a good and valid statement of policy which has and will continue to work well for the Agency. Its philosophical foundations are just as sound today in an era of detente as they were in cold war confrontation. We feel the main problem with it has been the demonstrated reluctance on the part of management to make hard, honest and often unpopular decisions. We feel the best way to force senior managers to examine the issues and effectively measure security and suitability concerns against unique abilities and potential is through a panel system.

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8. The panel, as we envision it, would be composed of senior executive level officers, one each from the DD/A, DD/O, DD/S&T, DD/I, the Office of Security and the Office of Personnel. Each panel member, as a command representative of his Directorate or office, would be responsible for presenting a detailed

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9. Only Directorate representatives would be voting members. The Directorate representative presenting his employee's case would abstain from voting on that case. The chairmanship would be rotational and would be handled in a similar fashion as voting.

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10. Clearance Division believes that the panel system has a number of benefits which would lead to a more honest and realistic approach to [REDACTED]. It allows for the serious consideration and evaluation of divergent opinion. It would go a long way toward the elimination of parochial bias that is usually inherent in the unilateral decision making process. It demands careful staff work thus forcing the support structure into a more viable presentation of issues and ideas. It may even reduce the number of cases suggested for consideration from lower echelons by forcing first-line

supervisors to pay more attention to their responsibilities to competently advise and guide employees regarding [REDACTED]

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11. Another alternative to solving the [REDACTED] problem would be to alter [REDACTED] and have it transferred back to the Security [REDACTED] series. We feel there is strong justification for the move since the regulation is basically directed at matters of security concern rather than personnel ones. However, given the tenor of the times and the history of the application of the regulation, we do not feel that this move, sensible from a security standpoint, would be a wise one as far as the rest of the Agency is concerned. We feel the panel approach would be a more judicious one which would probably have greater appeal to senior managers, thus greater acceptability.

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SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED		CONFIDENTIAL	
OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	[REDACTED]		
2	626 'e g e' Bldg		
3			
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ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
Remarks: <i>MARY - here is a copy of the memo you mentioned in our conversation. re</i> <div style="background-color: black; width: 300px; height: 40px; margin: 10px 0;"></div>			
FOLD HERE TO RETURN TO SENDER			
			DATE
[REDACTED]			<i>1/19/77</i>
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